



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF

SEP 22 2004

(AE-17J)

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Hal Jernigan, Vice President, Operations
Allied Metal Company
4528 West Division Street
Chicago, Illinois, 60651

**Re: Finding of Violation, Allied Metal Company, Chicago,
Illinois**

Dear Mr. Jernigan:

The United States Environmental Protection Agency (U.S. EPA) is issuing the enclosed Finding of Violation (FOV) to Allied Metal Company (you). We find that you have violated Section 112 of the Clean Air Act, 42 U.S.C. § 7412, at your Chicago, Illinois, facility.

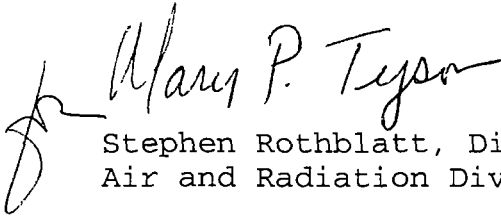
We have several enforcement options under Section 113(a)(3) of the Clean Air Act, 42 U.S.C. § 7413(a)(3). These options include issuing an administrative compliance order, issuing an administrative penalty order, and bringing a judicial civil or criminal action. The options we select may depend on, among other things, the length of time you take to achieve and demonstrate continuous compliance with the rules cited in the FOV.

We are offering you an opportunity to confer with us about the violations alleged in the FOV. The conference will give you the opportunity to present information on the specific findings of violation, the efforts you have taken to comply, and the steps you will take to prevent future violations.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The U.S. EPA contact in this matter is Bonnie Bush. You may call her at (312) 353-6684 to request a conference. You should make the request as soon as possible, but no later than 10 calendar days after you receive this letter. We should hold any conference within 30 calendar days of your receipt of this letter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Stephen P. Rothblatt", is written over a horizontal line. To the left of the signature is a large, stylized initial "S" or "R" that extends downwards.

Stephen Rothblatt, Director
Air and Radiation Division

Enclosure

cc: Julie Armitage, Acting Section Manager
Compliance and Systems Management Section
Bureau of Air
Illinois Environmental Protection Agency

Harish Narayan, Acting Regional Manager
Region I
Illinois Environmental Protection Agency

Kathleen C. Bassi, Attorney at Law
Schiff Hardin, LLP
6600 Sears Tower
Chicago, Illinois 60606

**United States Environmental Protection Agency
Region 5**

IN THE MATTER OF:)	
)	
Allied Metal Company)	FINDING OF VIOLATION
Chicago, Illinois)	
)	EPA-05-04-32-IL
)	
Proceedings Pursuant to)	
the Clean Air Act,)	
42 U.S.C. §§ 7401 <u>et seq.</u>)	

FINDING OF VIOLATION

The United States Environmental Protection Agency (U.S. EPA) finds that Allied Metal Company (Allied) is violating Section 112 of the Clean Air Act, 42 U.S.C. § 7412. Specifically, Allied is violating the National Emission Standards for Hazardous Air Pollutants (NESHAP) General Provisions at 40 C.F.R. part 63, subpart A (subpart A) and the NESHAP for Secondary Aluminum Production at 40 C.F.R. part 63, subpart RRR (subpart RRR) as follows:

Regulatory Authority

1. Subpart RRR, at 40 C.F.R. § 63.1500, applies to the owner or operator of each secondary aluminum production facility as defined in § 63.1503.
2. Subpart RRR, at 40 C.F.R. § 63.1503, defines group 1 furnaces as furnaces of any design that melt, hold, or process aluminum that contains paint, lubricants, coatings, or other foreign materials with or without reactive fluxing, or process clean charge with reactive fluxing.
3. Subpart RRR, at 40 C.F.R. § 63.1503, defines thermal chip dryer as a device that uses heat to evaporate oil or oil/water mixtures from unpainted/uncoated aluminum chips.
4. Subpart RRR, at 40 C.F.R. § 63.1505(a) requires an owner or operator of a new or existing affected source to comply with each applicable limit in 40 C.F.R. § 63.1505.

5. Subpart RRR, at 40 C.F.R. § 63.1505(c)(2) specifies an emission limit of 2.5 micrograms ("mcg") of D/F [dioxins/furans] TEQ [toxic equivalency] per Mg [megagram] (3.5×10^{-5} gr [grains] of D/F TEQ per ton) of feed/charge from a thermal chip dryer at a secondary aluminum production facility that is a major or area source.
6. Subpart RRR, at 40 C.F.R. § 63.1505(i)(3) specifies an emission limit of 15 mcg of D/F TEQ per Mg (2.1×10^{-4} gr of D/F TEQ per ton) of feed/charge from a group 1 furnace at a secondary aluminum production facility that is a major or area source.
7. Subpart RRR, at 40 C.F.R. § 63.1506(a), specifies that on and after the date on which the initial performance test is conducted or required to be conducted, whichever date is earlier, the owner or operator must operate all new and existing affected sources and control equipment according to the requirements in 40 C.F.R. § 63.1506.
8. Subpart RRR, at 40 C.F.R. § 63.1506(f), specifies that the owner or operator of a thermal chip dryer must follow the requirements in 40 C.F.R. § 63.1506(f).
9. Subpart RRR, at 40 C.F.R. § 63.1506(m), specifies that the owner or operator of a group 1 furnace controlled by a lime-injected fabric filter must follow the requirements in 40 C.F.R. § 63.1506(m).
10. Subpart RRR, at 40 C.F.R. § 63.1510(a), specifies that on and after the compliance date established by § 63.1501, the owner or operator of a new or existing affected source or emission unit must monitor all control equipment and processes according to the requirements in 40 C.F.R. § 63.1510.
11. Subpart RRR, at 40 C.F.R. § 63.1510(b), specifies that the owner or operator must prepare and implement for each new or existing affected source and emission unit, a written operation, maintenance, and monitoring (OM&M) plan, which must be submitted to the permitting authority by the compliance date established by § 63.1501(a) and must include the information specified by 40 C.F.R. § 63.1510(b).
12. Subpart RRR, at 40 C.F.R. § 63.1510(d), specifies that the owner or operator must install, operate, and maintain a capture/collection system for each affected source and emission unit equipped with an add-on air pollution control

device, must inspect each capture/collection system once a year, and must record the results.

13. Subpart RRR, at 40 C.F.R. § 63.1510(f), specifies that the owner or operator of an affected source or emission unit using a fabric filter or lime-injected fabric filter to comply with the requirements of this subpart must install, calibrate, maintain, and continuously operate a bag leak detection system or a continuous opacity monitor as required in 40 C.F.R. § 63.1510(f).
14. Subpart RRR, at 40 C.F.R. § 63.1510(g), specifies that an owner or operator of an affected source using an afterburner to comply with the requirements of this subpart must monitor and record afterburner temperature and conduct afterburner inspections according to the requirements in 40 C.F.R. § 63.1510(g).
15. Subpart RRR, at 40 C.F.R. § 63.1510(h), specifies that the owner/operator of a group 1 furnace using a lime-injected fabric filter to comply must monitor fabric filter inlet temperature as required in 40 C.F.R. § 63.1510(h).
16. Subpart RRR, at 40 C.F.R. § 63.1510(i), specifies that the owner/operator of an affected source or emission unit using a lime-injected fabric filter to comply must monitor lime injection as required in 40 C.F.R. § 63.1510(i).
17. Subpart RRR, at 40 C.F.R. § 63.1510(j), specifies that the owner or operator of a group 1 furnace must calculate and record the gaseous, liquid and/or solid reactive flux injection rate, as required in 40 C.F.R. § 63.1510(j).
18. Subpart RRR, at 40 C.F.R. § 63.1510(s), specifies that the owner or operator of a secondary aluminum processing unit at a facility must include in the OM&M plan the information specified in 40 C.F.R. § 63.1510(s).
19. Subpart RRR, at 40 C.F.R. § 63.1510(t), specifies that, except as provided in paragraph (u) of this section, the owner or operator must calculate and record the 3-day, 24-hour rolling average emissions of D/F for each SAPU [secondary aluminum processing unit] on a daily basis according to the procedures specified in 40 C.F.R. § 63.1510(t).
20. Subpart RRR, at 40 C.F.R. § 63.1510(u), specifies that as an alternative to paragraph (t) of this section, an owner or

operator may demonstrate, through performance tests, that each individual emission unit within the secondary aluminum production unit is in compliance with the applicable emission limits for the emission unit.

21. Subpart RRR, at 40 C.F.R. § 63.1511(b), specifies that the owner or operator of any existing affected source for which an initial performance test is required to demonstrate compliance must conduct this initial performance test no later than the date for compliance established by § 63.1501(a).
22. Subpart RRR, at 40 C.F.R. § 63.1515(b), specifies that each owner or operator of an existing affected source must submit a notification of compliance status report within 60 days after the compliance date established by § 63.1501(a), according to the requirements in 40 C.F.R. § 63.1515(b).
23. Subpart RRR, at 40 C.F.R. § 63.1516(a), specifies that each owner or operator must develop and implement a written plan as described in this section and § 63.6(e)(3), containing specific procedures to be followed for operating and maintaining the source during periods of startup, shutdown, and malfunction (SSM), and including corrective actions to address malfunctions.
24. Subpart RRR, at 40 C.F.R. § 63.1517(a), specifies that as required by § 63.10(b), the owner or operator shall maintain files of all information (including all reports and notifications) required by the general provisions and this subpart.

Allied's Facility

25. Allied owns and operates a Secondary Aluminum Production facility at 4528 West Division Street, Chicago, Illinois.
26. Allied's Chicago facility is subject to the requirements at 40 C.F.R. part 63, subparts A and RRR.
27. Allied's Chicago facility is an existing source, pursuant to 40 C.F.R. § 63.1501.
28. Allied operates three furnaces that are group 1 furnaces and one thermal chip dryer, pursuant to Subpart RRR, which are subject to the emissions standards of Subpart RRR.

29. Allied's group 1 furnaces are controlled by a common baghouse, which is a lime-injected fabric filter.
30. Allied's thermal chip dryer is controlled by an afterburner.
31. Allied conducted testing for D/F emissions from its thermal chip dryer in January 2004.

Violations

Testing Violations

32. Allied failed to conduct initial performance tests on its thermal chip dryer and group 1 furnaces by March 24, 2003, in violation of 40 C.F.R. § 63.1511(b).

Operating Violations

33. Allied failed to maintain a 3-hour block average operating temperature of its afterburner that was above an average temperature established by the performance test, in violation of 40 C.F.R. § 63.1506(f)(1).

Monitoring Violations

34. Allied did not maintain an OM&M plan, as described at 40 C.F.R. § 63.1510(b), in violation of 40 C.F.R. §§ 63.1510(b), 63.1517(a), and 63.10(b). No OM&M plan was readily available for inspection and review at an April 2004 U.S. EPA inspection, and no OM&M plan was provided by Allied in response to an August 2004 Section 114 Request for Information.
35. Allied failed to inspect each capture/collection system for each group 1 furnace and the thermal chip dryer once a year and record the results, in violation of 40 C.F.R. § 63.1510(d).
36. Allied failed to install, calibrate, maintain, and continuously operate either a bag leak detection system or a continuous opacity monitoring system at the lime-injected fabric filter controlling the group 1 furnaces, in violation of 40 C.F.R. § 63.1510(f).
37. Allied failed to install, calibrate, maintain, and operate a device to continuously monitor and record the operating temperature of the afterburner consistent with the

requirements of subpart A of this part or with this subpart, in violation of 40 C.F.R. § 63.1510(g)(1) and (2).

38. Allied failed to conduct annual inspections of its afterburner and record the results, in violation of 40 C.F.R. § 63.1510(g)(3).
39. Allied failed to install, calibrate, maintain, and operate a device to continuously monitor and record the inlet temperature to the lime-injected fabric filter according to the requirements of 40 C.F.R. § 63.1510(h), in violation of 40 C.F.R. § 63.1510(h).
40. Allied failed to monitor lime injection at the lime-injected fabric filter, in violation of 40 C.F.R. § 63.1510(i).
41. Allied failed to record, for each 15-minute block period during each operating cycle or time period used in the performance test during which reactive fluxing occurs, the time, weight, and type of flux for each addition of solid reactive flux, in violation of 40 C.F.R. § 63.1510(j)(3).
42. Allied failed to calculate and record the total reactive flux injection rate for each operating cycle or time period used in the performance test using the procedure in § 63.1512(o), in violation of 40 C.F.R. § 63.1510(j)(4).
43. Allied failed to either calculate and record the 3-day, 24-hour rolling average emissions of D/F for each SAPU on a daily basis according to the procedures specified at 40 C.F.R. § 63.1510(t) or demonstrate, through performance tests, that each individual emission unit within the secondary aluminum production unit is in compliance with the applicable emission limits for the emission unit, in violation of 40 C.F.R. § 63.1510(t) or 40 C.F.R. § 63.1510(u).

Notification Violations

44. Allied failed to submit a notification of compliance status, in violation of 40 C.F.R. § 63.1515(b).

Recordkeeping and Reporting Violations

45. Allied did not maintain an SSM Plan, in violation of 40 C.F.R. §§ 63.1516(a), 63.1517(a), and 63.6(e)(3). No SSM Plan was readily available for inspection and review at an April 2004 U.S. EPA inspection, and no SSM Plan was provided by Allied in response to an August 2004 Section 114 Request for Information.

Date

9/22/04

for William P. Tyso
Stephen Rothblatt, Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Betty Williams, certify that I sent a Finding of Violation, No. EPA-05-04-32-IL, by Certified Mail, Return Receipt Requested, to:

Hal Jernigan, Vice President, Operations
Allied Metal Company
4528 West Division Street
Chicago, Illinois, 60651


Kathleen C. Bassi, Attorney at Law
Schiff Hardin, LLP
6600 Sears Tower
Chicago, Illinois 60606

I also certify that I sent copies of the Finding of Violation by first class mail to:

Julie Armitage, Acting Section Manager
Compliance and Systems Management Section
Bureau of Air
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, Illinois, 62072

Harish Narayen, Acting Regional Manager
Region I
Illinois Environmental Protection Agency
9511 West Harrison
Des Plaines, Illinois 60016

on the 22nd day of September, 2004.


Betty Williams, Secretary
AECAS, (IL/IN)

CERTIFIED MAIL RECEIPT NUMBER: 7001 0320 0005 8909 8305 - Hal Jernigan
7001 0320 0005 8909 8299 - Kathleen C. Bassi, Attorney at Law